GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:63
ANSWERED ON:26.02.2007
SUBSIDIES ON UREA
Tripathy Shri Braja Kishore

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether subsidies on urea is pending to fertilizer industry as reported in `The Times of India` dated January 8, 2007 ;

(b) if so, whether the fertilizer industry is facing a severe liquidity crunch ;

(c) if so, the reasons for not releasing funds to such manufacturing units so far; and

(d) the time by which pending compensation is likely to be cleared ?

Answer

MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS(SHRI B.K. HANDIQUE)

(a)to(d) : The subsidies to the tune of approximately Rs. 10,000 crores was due as on 1st January, 2007, on sale of all fertilizers including urea. A sum of Rs. 4400 crores was allocated under 2nd Supplementary Demand for grants 2006-07, which has been released to the fertilizer industry in January, 2007. It is expected to receive remaining funds for payment of subsidy under 3rd supplementary demand for grant 2006-07.